



SENATE BILL 523: Wrightsville Beach Deannex/Wilmington Annex

2013-2014 General Assembly

Committee:	House Finance	Date:	June 23, 2014
Introduced by:	Sens. Rucho, Rabon, Rabin	Prepared by:	Cindy Avrette
Analysis of:	PCS to Third Edition S523-CSRbx-57		Committee Counsel

SUMMARY: *The House PCS for Senate Bill 523 removes the original contents of the bill and replaces it with a provision that removes 12.64 acres from the Town of Wrightsville Beach and annexes the property into the Town of Wilmington. This change effectively turns the public bill into a local bill. The deannexation provision was originally considered favorably by the House Rules Committee in a House PCS for Senate Bill 172 on June 19, 2014.*

CURRENT LAW, BILL ANALYSIS, AND EFFECTIVE DATE:

The House PCS removes approximately 12.64 acres from the Town of Wrightsville Beach and annexes the property into the Town of Wilmington, effective June 30, 2014. The Wrightsville Beach City Council voted unanimously on June 17, 2014, to accept the terms of the voluntary de-annexation of two parcels.¹ The area subject to deannexation is contiguous to other properties in the city limits of Wilmington that are owned by a developer. The Lumina News reported that by putting the parcels together, the developer may likely develop a high-density mixed use project. According to the news story, the City of Wilmington and the Town of Wrightsville Beach have entered into a 29-year interlocal agreement whereby Wilmington will pay Wrightsville Beach nearly \$800,000. The property subject to deannexation by Wrightsville Beach means a loss of nearly \$7,200 a year in property tax revenue. As part of the financial agreement, Wilmington will pay Wrightsville Beach roughly \$7,200 a year for five years; on the fifth year, the payments escalate, then cap, to \$30,000 annually.

¹ The City Council voted unanimously to rescind an offer to decline support of legislation to de-annexation enacted following a June 12, 2013 public hearing and board meeting.

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